



General Assembly

February Session, 2016

***Raised Bill No. 446***

LCO No. 2933



Referred to Committee on FINANCE, REVENUE AND BONDING

Introduced by:  
(FIN)

***AN ACT REPEALING THE ESTATE AND GIFT TAXES.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsections (c) to (g), inclusive, of section 12-391 of the  
2 2016 supplement to the general statutes are repealed and the following  
3 is substituted in lieu thereof (*Effective January 1, 2017, and applicable to*  
4 *estates of decedents dying on or after January 1, 2017*):

5 (c) For purposes of this section:

6 (1) (A) "Connecticut taxable estate" means, with respect to the  
7 estates of decedents dying on or after January 1, 2005, but prior to  
8 January 1, 2010, (i) the gross estate less allowable deductions, as  
9 determined under Chapter 11 of the Internal Revenue Code, plus (ii)  
10 the aggregate amount of all Connecticut taxable gifts, as defined in  
11 section 12-643, as amended by this act, made by the decedent for all  
12 calendar years beginning on or after January 1, 2005, but prior to  
13 January 1, 2010. The deduction for state death taxes paid under Section  
14 2058 of said code shall be disregarded.

15 (B) "Connecticut taxable estate" means, with respect to the estates of  
16 decedents dying on or after January 1, 2010, but prior to January 1,  
17 2015, (i) the gross estate less allowable deductions, as determined  
18 under Chapter 11 of the Internal Revenue Code, plus (ii) the aggregate  
19 amount of all Connecticut taxable gifts, as defined in section 12-643, as  
20 amended by this act, made by the decedent for all calendar years  
21 beginning on or after January 1, 2005. The deduction for state death  
22 taxes paid under Section 2058 of said code shall be disregarded.

23 (C) "Connecticut taxable estate" means, with respect to the estates of  
24 decedents dying on or after January 1, 2015, but prior to January 1,  
25 2017, (i) the gross estate less allowable deductions, as determined  
26 under Chapter 11 of the Internal Revenue Code, plus (ii) the aggregate  
27 amount of all Connecticut taxable gifts, as defined in section 12-643, as  
28 amended by this act, made by the decedent for all calendar years  
29 beginning on or after January 1, 2005, other than Connecticut taxable  
30 gifts that are includable in the gross estate for federal estate tax  
31 purposes of the decedent, plus (iii) the amount of any tax paid to this  
32 state pursuant to section 12-642, as amended by this act, by the  
33 decedent or the decedent's estate on any gift made by the decedent or  
34 the decedent's spouse during the three-year period preceding the date  
35 of the decedent's death. The deduction for state death taxes paid under  
36 Section 2058 of the Internal Revenue Code shall be disregarded.

37 (2) "Internal Revenue Code" means the Internal Revenue Code of  
38 1986, or any subsequent corresponding internal revenue code of the  
39 United States, as from time to time amended, except in the event of  
40 repeal of the federal estate tax, then all references to the Internal  
41 Revenue Code in this section shall mean the Internal Revenue Code as  
42 in force on the day prior to the effective date of such repeal.

43 (3) "Gross estate" means the gross estate, for federal estate tax  
44 purposes.

45 (d) (1) (A) With respect to the estates of decedents who die on or

46 after January 1, 2005, but prior to January 1, 2010, a tax is imposed  
47 upon the transfer of the estate of each person who at the time of death  
48 was a resident of this state. The amount of the tax shall be determined  
49 using the schedule in subsection (g) of this section. A credit shall be  
50 allowed against such tax for any taxes paid to this state pursuant to  
51 section 12-642, as amended by this act, for Connecticut taxable gifts  
52 made on or after January 1, 2005, but prior to January 1, 2010.

53 (B) With respect to the estates of decedents who die on or after  
54 January 1, 2010, but prior to January 1, 2015, a tax is imposed upon the  
55 transfer of the estate of each person who at the time of death was a  
56 resident of this state. The amount of the tax shall be determined using  
57 the schedule in subsection (g) of this section. A credit shall be allowed  
58 against such tax for any taxes paid to this state pursuant to section 12-  
59 642, as amended by this act, for Connecticut taxable gifts made on or  
60 after January 1, 2005, provided such credit shall not exceed the amount  
61 of tax imposed by this section.

62 (C) With respect to the estates of decedents who die on or after  
63 January 1, 2015, but prior to January 1, 2016, a tax is imposed upon the  
64 transfer of the estate of each person who at the time of death was a  
65 resident of this state. The amount of the tax shall be determined using  
66 the schedule in subsection (g) of this section. A credit shall be allowed  
67 against such tax for (i) any taxes paid to this state pursuant to section  
68 12-642, as amended by this act, by the decedent or the decedent's estate  
69 for Connecticut taxable gifts made on or after January 1, 2005, and (ii)  
70 any taxes paid by the decedent's spouse to this state pursuant to  
71 section 12-642, as amended by this act, for Connecticut taxable gifts  
72 made by the decedent on or after January 1, 2005, that are includable in  
73 the gross estate of the decedent, provided such credit shall not exceed  
74 the amount of tax imposed by this section.

75 (D) With respect to the estates of decedents who die on or after  
76 January 1, 2016, but prior to January 1, 2017, a tax is imposed upon the  
77 transfer of the estate of each person who at the time of death was a

78 resident of this state. The amount of the tax shall be determined using  
 79 the schedule in subsection (g) of this section. A credit shall be allowed  
 80 against such tax for (i) any taxes paid to this state pursuant to section  
 81 12-642, as amended by this act, by the decedent or the decedent's estate  
 82 for Connecticut taxable gifts made on or after January 1, 2005, and (ii)  
 83 any taxes paid by the decedent's spouse to this state pursuant to  
 84 section 12-642, as amended by this act, for Connecticut taxable gifts  
 85 made by the decedent on or after January 1, 2005, that are includable in  
 86 the gross estate of the decedent, provided such credit shall not exceed  
 87 the amount of tax imposed by this section. In no event shall the  
 88 amount of tax payable under this section exceed twenty million  
 89 dollars. Such twenty-million-dollar limit shall be reduced by the  
 90 amount of (I) any taxes paid to this state pursuant to section 12-642, as  
 91 amended by this act, by the decedent or the decedent's estate for  
 92 Connecticut taxable gifts made on or after January 1, 2016, and (II) any  
 93 taxes paid by the decedent's spouse to this state pursuant to section 12-  
 94 642, as amended by this act, for Connecticut taxable gifts made by the  
 95 decedent on or after January 1, 2016, that are includable in the gross  
 96 estate of the decedent, but in no event shall the amount be reduced  
 97 below zero.

98 (E) With respect to the estates of decedents who die on or after  
 99 January 1, 2017, no tax shall be imposed under this chapter upon the  
 100 transfer of the estate of a person who at the time of death was a  
 101 resident of this state.

102 (2) If real or tangible personal property of such decedent is located  
 103 outside of this state, the amount of tax due under this section shall be  
 104 reduced by an amount computed by multiplying the tax otherwise due  
 105 pursuant to subdivision (1) of this subsection, without regard to the  
 106 credit allowed for any taxes paid to this state pursuant to section 12-  
 107 642, as amended by this act, by a fraction, (A) the numerator of which  
 108 is the value of that part of the decedent's gross estate attributable to  
 109 real or tangible personal property located outside of the state, and (B)  
 110 the denominator of which is the value of the decedent's gross estate.

111 (3) For a resident estate, the state shall have the power to levy the  
112 estate tax upon real property situated in this state, tangible personal  
113 property having an actual situs in this state and intangible personal  
114 property included in the gross estate of the decedent, regardless of  
115 where it is located. The state is permitted to calculate the estate tax and  
116 levy said tax to the fullest extent permitted by the Constitution of the  
117 United States.

118 (e) (1) (A) With respect to the estates of decedents who die on or  
119 after January 1, 2005, but prior to January 1, 2010, a tax is imposed  
120 upon the transfer of the estate of each person who at the time of death  
121 was a nonresident of this state. The amount of such tax shall be  
122 computed by multiplying (i) the amount of tax determined using the  
123 schedule in subsection (g) of this section by (ii) a fraction, the  
124 numerator of which is the value of that part of the decedent's gross  
125 estate over which this state has jurisdiction for estate tax purposes, and  
126 the denominator of which is the value of the decedent's gross estate. A  
127 credit shall be allowed against such tax for any taxes paid to this state  
128 pursuant to section 12-642, as amended by this act, for Connecticut  
129 taxable gifts made on or after January 1, 2005, but prior to January 1,  
130 2010.

131 (B) With respect to the estates of decedents who die on or after  
132 January 1, 2010, but prior to January 1, 2016, a tax is imposed upon the  
133 transfer of the estate of each person who at the time of death was a  
134 nonresident of this state. The amount of such tax shall be computed by  
135 multiplying (i) the amount of tax determined using the schedule in  
136 subsection (g) of this section by (ii) a fraction, the numerator of which  
137 is the value of that part of the decedent's gross estate over which this  
138 state has jurisdiction for estate tax purposes, and the denominator of  
139 which is the value of the decedent's gross estate. A credit shall be  
140 allowed against such tax for any taxes paid to this state pursuant to  
141 section 12-642, as amended by this act, for Connecticut taxable gifts  
142 made on or after January 1, 2005, provided such credit shall not exceed  
143 the amount of tax imposed by this section.

144 (C) With respect to the estates of decedents who die on or after  
 145 January 1, 2016, but prior to January 1, 2017, a tax is imposed upon the  
 146 transfer of the estate of each person who at the time of death was a  
 147 nonresident of this state. The amount of such tax shall be computed by  
 148 multiplying (i) the amount of tax determined using the schedule in  
 149 subsection (g) of this section by (ii) a fraction, the numerator of which  
 150 is the value of that part of the decedent's gross estate over which this  
 151 state has jurisdiction for estate tax purposes, and the denominator of  
 152 which is the value of the decedent's gross estate. A credit shall be  
 153 allowed against such tax for any taxes paid to this state pursuant to  
 154 section 12-642, as amended by this act, for Connecticut taxable gifts  
 155 made on or after January 1, 2005, provided such credit shall not exceed  
 156 the amount of tax imposed by this section. In no event shall the  
 157 amount of tax payable under this section exceed twenty million  
 158 dollars. Such twenty-million-dollar limit shall be reduced by the  
 159 amount of (I) any taxes paid to this state pursuant to section 12-642, as  
 160 amended by this act, by the decedent or the decedent's estate for  
 161 Connecticut taxable gifts made on or after January 1, 2016, and (II) any  
 162 taxes paid by the decedent's spouse to this state pursuant to section 12-  
 163 642, as amended by this act, for Connecticut taxable gifts made by the  
 164 decedent on or after January 1, 2016, that are includable in the gross  
 165 estate of the decedent, but in no event shall the amount be reduced  
 166 below zero.

167 (D) With respect to the estates of decedents who die on or after  
 168 January 1, 2017, no tax shall be imposed under this chapter upon the  
 169 transfer of the estate of a person who at the time of death was a  
 170 nonresident of this state.

171 (2) For a nonresident estate, the state shall have the power to levy  
 172 the estate tax upon all real property situated in this state and tangible  
 173 personal property having an actual situs in this state. The state is  
 174 permitted to calculate the estate tax and levy said tax to the fullest  
 175 extent permitted by the Constitution of the United States.

176 (f) (1) For purposes of the tax imposed under this section, the value  
 177 of the Connecticut taxable estate shall be determined taking into  
 178 account all of the deductions available under the Internal Revenue  
 179 Code of 1986, specifically including, but not limited to, the deduction  
 180 available under Section 2056(b)(7) of said code for a qualifying income  
 181 interest for life in a surviving spouse.

182 (2) An election under said Section 2056(b)(7) may be made for state  
 183 estate tax purposes regardless of whether any such election is made for  
 184 federal estate tax purposes. The value of the gross estate shall include  
 185 the value of any property in which the decedent had a qualifying  
 186 income interest for life for which an election was made under this  
 187 subsection.

188 (g) (1) With respect to the estates of decedents dying on or after  
 189 January 1, 2005, but prior to January 1, 2010, the tax based on the  
 190 Connecticut taxable estate shall be as provided in the following  
 191 schedule:

T1	Amount of Connecticut	
T2	Taxable Estate	Rate of Tax
T3	Not over \$2,000,000	None
T4	Over \$2,000,000	
T5	but not over \$2,100,000	5.085% of the excess over \$0
T6	Over \$2,100,000	\$106,800 plus 8% of the excess
T7	but not over \$2,600,000	over \$2,100,000
T8	Over \$2,600,000	\$146,800 plus 8.8% of the excess
T9	but not over \$3,100,000	over \$2,600,000
T10	Over \$3,100,000	\$190,800 plus 9.6% of the excess
T11	but not over \$3,600,000	over \$3,100,000
T12	Over \$3,600,000	\$238,800 plus 10.4% of the excess
T13	but not over \$4,100,000	over \$3,600,000
T14	Over \$4,100,000	\$290,800 plus 11.2% of the excess

T15	but not over \$5,100,000	over \$4,100,000
T16	Over \$5,100,000	\$402,800 plus 12% of the excess
T17	but not over \$6,100,000	over \$5,100,000
T18	Over \$6,100,000	\$522,800 plus 12.8% of the excess
T19	but not over \$7,100,000	over \$6,100,000
T20	Over \$7,100,000	\$650,800 plus 13.6% of the excess
T21	but not over \$8,100,000	over \$7,100,000
T22	Over \$8,100,000	\$786,800 plus 14.4% of the excess
T23	but not over \$9,100,000	over \$8,100,000
T24	Over \$9,100,000	\$930,800 plus 15.2% of the excess
T25	but not over \$10,100,000	over \$9,100,000
T26	Over \$10,100,000	\$1,082,800 plus 16% of the excess
T27		over \$10,100,000

192 (2) With respect to the estates of decedents dying on or after January  
 193 1, 2010, but prior to January 1, 2011, the tax based on the Connecticut  
 194 taxable estate shall be as provided in the following schedule:

T28	Amount of Connecticut	
T29	Taxable Estate	Rate of Tax
T30	Not over \$3,500,000	None
T31	Over \$3,500,000	7.2% of the excess
T32	but not over \$3,600,000	over \$3,500,000
T33	Over \$3,600,000	\$7,200 plus 7.8% of the excess
T34	but not over \$4,100,000	over \$3,600,000
T35	Over \$4,100,000	\$46,200 plus 8.4% of the excess
T36	but not over \$5,100,000	over \$4,100,000
T37	Over \$5,100,000	\$130,200 plus 9.0% of the excess
T38	but not over \$6,100,000	over \$5,100,000
T39	Over \$6,100,000	\$220,200 plus 9.6% of the excess
T40	but not over \$7,100,000	over \$6,100,000



T41	Over \$7,100,000	\$316,200 plus 10.2% of the excess
T42	but not over \$8,100,000	over \$7,100,000
T43	Over \$8,100,000	\$418,200 plus 10.8% of the excess
T44	but not over \$9,100,000	over \$8,100,000
T45	Over \$9,100,000	\$526,200 plus 11.4% of the excess
T46	but not over \$10,100,000	over \$9,100,000
T47	Over \$10,100,000	\$640,200 plus 12% of the excess
T48		over \$10,100,000

195 (3) With respect to the estates of decedents dying on or after January  
 196 1, 2011, but prior to January 1, 2017, the tax based on the Connecticut  
 197 taxable estate shall be as provided in the following schedule:

T49	Amount of Connecticut	
T50	Taxable Estate	Rate of Tax
T51	Not over \$2,000,000	None
T52	Over \$2,000,000	7.2% of the excess
T53	but not over \$3,600,000	over \$2,000,000
T54	Over \$3,600,000	\$115,200 plus 7.8% of the excess
T55	but not over \$4,100,000	over \$3,600,000
T56	Over \$4,100,000	\$154,200 plus 8.4% of the excess
T57	but not over \$5,100,000	over \$4,100,000
T58	Over \$5,100,000	\$238,200 plus 9.0% of the excess
T59	but not over \$6,100,000	over \$5,100,000
T60	Over \$6,100,000	\$328,200 plus 9.6% of the excess
T61	but not over \$7,100,000	over \$6,100,000
T62	Over \$7,100,000	\$424,200 plus 10.2% of the excess
T63	but not over \$8,100,000	over \$7,100,000
T64	Over \$8,100,000	\$526,200 plus 10.8% of the excess
T65	but not over \$9,100,000	over \$8,100,000
T66	Over \$9,100,000	\$634,200 plus 11.4% of the excess

T67	but not over \$10,100,000	over \$9,100,000
T68	Over \$10,100,000	\$748,200 plus 12% of the excess
T69		over \$10,100,000

198        (4) With respect to the estates of decedents dying on or after January  
 199        1, 2017, no tax shall be imposed under this chapter upon the transfer of  
 200        the estate.

201        Sec. 2. Section 12-392 of the general statutes is repealed and the  
 202        following is substituted in lieu thereof (*Effective January 1, 2017, and*  
 203        *applicable to estates of decedents dying on or after January 1, 2017*):

204        (a) (1) For the estates of decedents dying prior to July 1, 2009, the tax  
 205        imposed by this chapter shall become due at the date of the taxable  
 206        transfer and shall become payable, and shall be paid, without  
 207        assessment, notice or demand, to the Commissioner of Revenue  
 208        Services at the expiration of nine months from the date of death, and  
 209        for the estates of decedents dying on or after July 1, 2009, but prior to  
 210        January 1, 2017, the tax imposed by this chapter shall become due at  
 211        the date of the taxable transfer and shall become payable and shall be  
 212        paid, without assessment, notice or demand, to the commissioner at  
 213        the expiration of six months from the date of death. Executors,  
 214        administrators, trustees, grantees, donees, beneficiaries and surviving  
 215        joint owners shall be liable for the tax and for any interest or penalty  
 216        thereon until it is paid, except that no executor, administrator, trustee,  
 217        grantee, donee, beneficiary or surviving joint owner shall be liable for a  
 218        greater sum than the value of the property actually received by him or  
 219        her. If the amount of tax reported to be due on the return is not paid,  
 220        for the estates of decedents dying prior to July 1, 2009, within such  
 221        nine months, or for the estates of decedents dying on or after July 1,  
 222        2009, but prior to January 1, 2017, within such six months, there shall  
 223        be imposed a penalty equal to ten per cent of such amount due and  
 224        unpaid, or fifty dollars, whichever is greater. Such amount shall bear  
 225        interest at the rate of one per cent per month or fraction thereof from

226 the due date of such tax until the date of payment. Subject to the  
227 provisions of section 12-3a, the commissioner may waive all or part of  
228 the penalties provided under this chapter when it is proven to the  
229 commissioner's satisfaction that the failure to pay any tax was due to  
230 reasonable cause and was not intentional or due to neglect.

231 (2) The Commissioner of Revenue Services may, for reasonable  
232 cause shown, extend the time for payment. The commissioner may  
233 require the filing of a tentative return and the payment of the tax  
234 reported to be due thereon in connection with such extension. Any  
235 additional tax which may be found to be due on the filing of a return  
236 as allowed by such extension shall bear interest at the rate of one per  
237 cent per month or fraction thereof from the original due date of such  
238 tax to the date of actual payment.

239 (3) (A) Whenever there is an overpayment of the tax imposed by  
240 this chapter, the Commissioner of Revenue Services shall return to the  
241 fiduciary or transferee the overpayment which shall bear interest at the  
242 rate of two-thirds of one per cent per month or fraction thereof, such  
243 interest commencing, for the estates of decedents dying prior to July 1,  
244 2009, from the expiration of nine months after the death of the  
245 transferor or date of payment, whichever is later, or, for the estates of  
246 decedents dying on or after July 1, 2009, but prior to January 1, 2017,  
247 from the expiration of six months after the death of the transferor or  
248 date of payment, whichever is later, as provided in subparagraphs (B)  
249 and (C) of this subdivision.

250 (B) In case of such overpayment pursuant to a tax return, no interest  
251 shall be allowed or paid under this subdivision on such overpayment  
252 for any month or fraction thereof prior to (i) the ninety-first day after  
253 the last day prescribed for filing the tax return associated with such  
254 overpayment, determined without regard to any extension of time for  
255 filing, or (ii) the ninety-first day after the date such return was filed,  
256 whichever is later.

257 (C) In case of such overpayment pursuant to an amended tax return,  
258 no interest shall be allowed or paid under this subdivision on such  
259 overpayment for any month or fraction thereof prior to the ninety-first  
260 day after the date such amended tax return was filed.

261 (b) (1) The tax imposed by this chapter shall be reported on a tax  
262 return which shall be filed on or before the date fixed for paying the  
263 tax, determined without regard to any extension of time for paying the  
264 tax. The commissioner shall design a form of return and forms for such  
265 additional statements or schedules as the commissioner may require to  
266 be filed. Such forms shall provide for the setting forth of such facts as  
267 the commissioner deems necessary for the proper enforcement of this  
268 chapter. The commissioner shall cause a supply of such forms to be  
269 printed and shall furnish appropriate blank forms to each taxpayer  
270 upon application or otherwise as the commissioner deems necessary.  
271 Failure to receive a form shall not relieve any person from the  
272 obligation to file a return under the provisions of this chapter. In any  
273 case in which the commissioner believes that it would be  
274 advantageous to him or her in the administration of the tax imposed  
275 by this chapter, the commissioner may require that a true copy of the  
276 federal estate tax return made to the Internal Revenue Service be  
277 provided.

278 (2) Any tax return or other document, including any amended tax  
279 return under section 12-398, that is required to be filed under this  
280 chapter shall be filed, and shall be treated as filed, only if filed with  
281 both the Commissioner of Revenue Services and the court of probate  
282 for the district within which the decedent resided at the date of his or  
283 her death or, if the decedent died a nonresident of this state, in the  
284 court of probate for the district within which real estate or tangible  
285 personal property of the decedent is situated. The return shall contain  
286 a statement, to be signed under penalty of false statement by the  
287 person who is required to make and file the return under this chapter,  
288 that the return has been filed with both the Commissioner of Revenue  
289 Services and the appropriate court of probate.

290       (3) (A) A tax return shall be filed, in the case of every decedent who  
291       died prior to January 1, 2005, and at the time of death was (i) a resident  
292       of this state, or (ii) a nonresident of this state whose gross estate  
293       includes any real property situated in this state or tangible personal  
294       property having an actual situs in this state, whenever the personal  
295       representative of the estate is required by the laws of the United States  
296       to file a federal estate tax return.

297       (B) A tax return shall be filed, in the case of every decedent who dies  
298       on or after January 1, 2005, but prior to January 1, 2010, and at the time  
299       of death was (i) a resident of this state, or (ii) a nonresident of this state  
300       whose gross estate includes any real property situated in this state or  
301       tangible personal property having an actual situs in this state. If the  
302       decedent's Connecticut taxable estate is over two million dollars, such  
303       tax return shall be filed with the Commissioner of Revenue Services  
304       and a copy of such return shall be filed with the court of probate for  
305       the district within which the decedent resided at the date of his or her  
306       death or, if the decedent died a nonresident of this state, the court of  
307       probate for the district within which such real property or tangible  
308       personal property is situated. If the decedent's Connecticut taxable  
309       estate is two million dollars or less, such return shall be filed with the  
310       court of probate for the district within which the decedent resided at  
311       the date of his or her death or, if the decedent died a nonresident of  
312       this state, the court of probate for the district within which such real  
313       property or tangible personal property is situated, and no such return  
314       shall be filed with the Commissioner of Revenue Services. The judge of  
315       probate for the district in which such return is filed shall review each  
316       such return and shall issue a written opinion to the estate  
317       representative in each case in which the judge determines that the  
318       estate is not subject to tax under this chapter.

319       (C) A tax return shall be filed, in the case of every decedent who  
320       dies on or after January 1, 2010, but prior to January 1, 2011, and at the  
321       time of death was (i) a resident of this state, or (ii) a nonresident of this  
322       state whose gross estate includes any real property situated in this

323 state or tangible personal property having an actual situs in this state.  
324 If the decedent's Connecticut taxable estate is over three million five  
325 hundred thousand dollars, such tax return shall be filed with the  
326 Commissioner of Revenue Services and a copy of such return shall be  
327 filed with the court of probate for the district within which the  
328 decedent resided at the date of his or her death or, if the decedent died  
329 a nonresident of this state, the court of probate for the district within  
330 which such real property or tangible personal property is situated. If  
331 the decedent's Connecticut taxable estate is three million five hundred  
332 thousand dollars or less, such return shall be filed with the court of  
333 probate for the district within which the decedent resided at the date  
334 of his or her death or, if the decedent died a nonresident of this state,  
335 the court of probate for the district within which such real property or  
336 tangible personal property is situated, and no such return shall be filed  
337 with the Commissioner of Revenue Services. The judge of probate for  
338 the district in which such return is filed shall review each such return  
339 and shall issue a written opinion to the estate representative in each  
340 case in which the judge determines that the estate is not subject to tax  
341 under this chapter.

342 (D) A tax return shall be filed, in the case of every decedent who  
343 dies on or after January 1, 2011, but prior to January 1, 2017, and at the  
344 time of death was (i) a resident of this state, or (ii) a nonresident of this  
345 state whose gross estate includes any real property situated in this  
346 state or tangible personal property having an actual situs in this state.  
347 If the decedent's Connecticut taxable estate is over two million dollars,  
348 such tax return shall be filed with the Commissioner of Revenue  
349 Services and a copy of such return shall be filed with the court of  
350 probate for the district within which the decedent resided at the date  
351 of his or her death or, if the decedent died a nonresident of this state,  
352 the court of probate for the district within which such real property or  
353 tangible personal property is situated. If the decedent's Connecticut  
354 taxable estate is two million dollars or less, such return shall be filed  
355 with the court of probate for the district within which the decedent

356 resided at the date of his or her death or, if the decedent died a  
357 nonresident of this state, the court of probate for the district within  
358 which such real property or tangible personal property is situated, and  
359 no such return shall be filed with the Commissioner of Revenue  
360 Services. The judge of probate for the district in which such return is  
361 filed shall review each such return and shall issue a written opinion to  
362 the estate representative in each case in which the judge determines  
363 that the estate is not subject to tax under this chapter.

364 (E) The duly authorized executor or administrator shall file the  
365 return. If there is more than one executor or administrator, the return  
366 shall be made jointly by all. If there is no executor or administrator  
367 appointed, qualified and acting, each person in actual or constructive  
368 possession of any property of the decedent is constituted an executor  
369 for purposes of the tax and shall make and file a return. If in any case  
370 the executor is unable to make a complete return as to any part of the  
371 gross estate, the executor shall provide all the information available to  
372 him or her with respect to such property, including a full description,  
373 and the name of every person holding a legal or beneficial interest in  
374 the property. If the executor is unable to make a return as to any  
375 property, each person holding a legal or equitable interest in such  
376 property shall, upon notice from the commissioner, make a return as to  
377 that part of the gross estate.

378 (F) On or before the last day of the month next succeeding each  
379 calendar quarter, and commencing with the calendar quarter ending  
380 September 30, 2005, each court of probate shall file with the  
381 commissioner a report for the calendar quarter in such form as the  
382 commissioner may prescribe. The report shall pertain to returns filed  
383 with the court of probate during the calendar quarter.

384 (4) The Commissioner of Revenue Services may, for reasonable  
385 cause shown, extend the time for filing the return.

386 (5) If any person required to make and file the tax return under this

chapter fails to file the return within the time prescribed, the commissioner may assess and compute the tax upon the best information obtainable. To the tax imposed upon the basis of such return, there shall be added an amount equal to ten per cent of such tax or fifty dollars, whichever is greater. The tax shall bear interest at the rate of one per cent per month or fraction thereof from the due date of such tax until the date of payment.

(6) The commissioner shall provide notice of any (A) deficiency assessment with respect to the payment of any tax under this chapter, (B) assessment with respect to any failure to make and file a return under this chapter by a person required to file, and (C) tax return or other document, including any amended tax return under section 12-398 that is required to be filed under this chapter to the court of probate for the district within which the commissioner contends that the decedent resided at the date of his or her death or, if the decedent died a nonresident of this state, to the court of probate for the district within which the commissioner contends that real estate or tangible personal property of the decedent is situated.

(c) No person shall be subject to a penalty under both subsections (a) and (b) of this section in relation to the same tax period.

Sec. 3. Section 12-640 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective January 1, 2017, and applicable to calendar years commencing on or after January 1, 2017*):

For the calendar year 1991 [and each year thereafter] through the calendar year ending December 31, 2016, inclusive, a tax computed as provided in section 12-642, as amended by this act, is hereby imposed on the transfer of property by gift during such taxable year by any individual resident or nonresident provided, for the calendar year 1991, such tax shall be imposed only on those gifts which are transferred on or after September 1, 1991, and on or before December 31, 2016.



418        Sec. 4. Section 12-642 of the 2016 supplement to the general statutes  
 419        is repealed and the following is substituted in lieu thereof (*Effective*  
 420        *January 1, 2017, and applicable to calendar years commencing on or after*  
 421        *January 1, 2017*):

422        (a) (1) With respect to calendar years commencing prior to January  
 423        1, 2001, the tax imposed by section 12-640, as amended by this act, for  
 424        the calendar year shall be at a rate of the taxable gifts made by the  
 425        donor during the calendar year set forth in the following schedule:

T70	Amount of Taxable Gifts	Rate of Tax
T71	Not over \$25,000	1%
T72	Over \$25,000	\$250, plus 2% of the excess
T73	but not over \$50,000	over \$25,000
T74	Over \$50,000	\$750, plus 3% of the excess
T75	but not over \$75,000	over \$50,000
T76	Over \$75,000	\$1,500, plus 4% of the excess
T77	but not over \$100,000	over \$75,000
T78	Over \$100,000	\$2,500, plus 5% of the excess
T79	but not over \$200,000	over \$100,000
T80	Over \$200,000	\$7,500, plus 6% of the excess
T81		over \$200,000

426        (2) With respect to the calendar years commencing January 1, 2001,  
 427        January 1, 2002, January 1, 2003, and January 1, 2004, the tax imposed  
 428        by section 12-640, as amended by this act, for each such calendar year  
 429        shall be at a rate of the taxable gifts made by the donor during the  
 430        calendar year set forth in the following schedule:

T82	Amount of Taxable Gifts	Rate of Tax
-----	-------------------------	-------------

T83	Over \$25,000	\$250, plus 2% of the excess
T84	but not over \$50,000	over \$25,000
T85	Over \$50,000	\$750, plus 3% of the excess
T86	but not over \$75,000	over \$50,000
T87	Over \$75,000	\$1,500, plus 4% of the excess
T88	but not over \$100,000	over \$75,000
T89	Over \$100,000	\$2,500, plus 5% of the excess
T90	but not over \$675,000	over \$100,000
T91	Over \$675,000	\$31,250, plus 6% of the excess
T92		over \$675,000

431 (3) With respect to Connecticut taxable gifts, as defined in section  
 432 12-643, as amended by this act, made by a donor during a calendar  
 433 year commencing on or after January 1, 2005, but prior to January 1,  
 434 2010, including the aggregate amount of all Connecticut taxable gifts  
 435 made by the donor during all calendar years commencing on or after  
 436 January 1, 2005, but prior to January 1, 2010, the tax imposed by  
 437 section 12-640, as amended by this act, for the calendar year shall be at  
 438 the rate set forth in the following schedule, with a credit allowed  
 439 against such tax for any tax previously paid to this state pursuant to  
 440 this subdivision:

T93	Amount of Taxable Gifts	Rate of Tax
T94	Not over \$2,000,000	None
T95	Over \$2,000,000	
T96	but not over \$2,100,000	5.085% of the excess over \$0
T97	Over \$2,100,000	\$106,800 plus 8% of the excess
T98	but not over \$2,600,000	over \$2,100,000
T99	Over \$2,600,000	\$146,800 plus 8.8% of the excess
T100	but not over \$3,100,000	over \$2,600,000
T101	Over \$3,100,000	\$190,800 plus 9.6% of the excess

T102	but not over \$3,600,000	over \$3,100,000
T103	Over \$3,600,000	\$238,800 plus 10.4% of the excess
T104	but not over \$4,100,000	over \$3,600,000
T105	Over \$4,100,000	\$290,800 plus 11.2% of the excess
T106	but not over \$5,100,000	over \$4,100,000
T107	Over \$5,100,000	\$402,800 plus 12% of the excess
T108	but not over \$6,100,000	over \$5,100,000
T109	Over \$6,100,000	\$522,800 plus 12.8% of the excess
T110	but not over \$7,100,000	over \$6,100,000
T111	Over \$7,100,000	\$650,800 plus 13.6% of the excess
T112	but not over \$8,100,000	over \$7,100,000
T113	Over \$8,100,000	\$786,800 plus 14.4% of the excess
T114	but not over \$9,100,000	over \$8,100,000
T115	Over \$9,100,000	\$930,800 plus 15.2% of the excess
T116	but not over \$10,100,000	over \$9,100,000
T117	Over \$10,100,000	\$1,082,800 plus 16% of the excess
T118		over \$10,100,000

441 (4) With respect to Connecticut taxable gifts, as defined in section  
 442 12-643, as amended by this act, made by a donor during a calendar  
 443 year commencing on or after January 1, 2010, but prior to January 1,  
 444 2011, including the aggregate amount of all Connecticut taxable gifts  
 445 made by the donor during all calendar years commencing on or after  
 446 January 1, 2005, the tax imposed by section 12-640, as amended by this  
 447 act, for the calendar year shall be at the rate set forth in the following  
 448 schedule, with a credit allowed against such tax for any tax previously  
 449 paid to this state pursuant to this subdivision or pursuant to  
 450 subdivision (3) of this subsection, provided such credit shall not  
 451 exceed the amount of tax imposed by this section:

T119	Amount of Taxable Gifts	Rate of Tax
------	-------------------------	-------------

T120	Not over \$3,500,000	None
T121	Over \$3,500,000	7.2% of the excess
T122	but not over \$3,600,000	over \$3,500,000
T123	Over \$3,600,000	\$7,200 plus 7.8% of the excess
T124	but not over \$4,100,000	over \$3,600,000
T125	Over \$4,100,000	\$46,200 plus 8.4% of the excess
T126	but not over \$5,100,000	over \$4,100,000
T127	Over \$5,100,000	\$130,200 plus 9.0% of the excess
T128	but not over \$6,100,000	over \$5,100,000
T129	Over \$6,100,000	\$220,200 plus 9.6% of the excess
T130	but not over \$7,100,000	over \$6,100,000
T131	Over \$7,100,000	\$316,200 plus 10.2% of the excess
T132	but not over \$8,100,000	over \$7,100,000
T133	Over \$8,100,000	\$418,200 plus 10.8% of the excess
T134	but not over \$9,100,000	over \$8,100,000
T135	Over \$9,100,000	\$526,200 plus 11.4% of the excess
T136	but not over \$10,100,000	over \$9,100,000
T137	Over \$10,100,000	\$640,200 plus 12% of the excess
T138		over \$10,100,000

452 (5) With respect to Connecticut taxable gifts, as defined in section  
 453 12-643, as amended by this act, made by a donor during a calendar  
 454 year commencing on or after January 1, 2011, and prior to January 1,  
 455 2017, including the aggregate amount of all Connecticut taxable gifts  
 456 made by the donor during all calendar years commencing on or after  
 457 January 1, 2005, the tax imposed by section 12-640, as amended by this  
 458 act, for the calendar year shall be at the rate set forth in the following  
 459 schedule, with a credit allowed against such tax for any tax previously  
 460 paid to this state pursuant to this subdivision or pursuant to  
 461 subdivision (3) or (4) of this subsection, provided such credit shall not  
 462 exceed the amount of tax imposed by this section:

	Amount of Taxable Gifts	Rate of Tax
T139		
T140	Not over \$2,000,000	None
T141	Over \$2,000,000	7.2% of the excess
T142	but not over \$3,600,000	over \$2,000,000
T143	Over \$3,600,000	\$115,200 plus 7.8% of the excess
T144	but not over \$4,100,000	over \$3,600,000
T145	Over \$4,100,000	\$154,200 plus 8.4% of the excess
T146	but not over \$5,100,000	over \$4,100,000
T147	Over \$5,100,000	\$238,200 plus 9.0% of the excess
T148	but not over \$6,100,000	over \$5,100,000
T149	Over \$6,100,000	\$328,200 plus 9.6% of the excess
T150	but not over \$7,100,000	over \$6,100,000
T151	Over \$7,100,000	\$424,200 plus 10.2% of the excess
T152	but not over \$8,100,000	over \$7,100,000
T153	Over \$8,100,000	\$526,200 plus 10.8% of the excess
T154	but not over \$9,100,000	over \$8,100,000
T155	Over \$9,100,000	\$634,200 plus 11.4% of the excess
T156	but not over \$10,100,000	over \$9,100,000
T157	Over \$10,100,000	\$748,200 plus 12% of the excess
T158		over \$10,100,000

463 (6) With respect to Connecticut taxable gifts, as defined in section  
 464 12-643, as amended by this act, made by a donor during the calendar  
 465 year commencing on or after January 1, 2017, no tax shall be imposed  
 466 by section 12-640, as amended by this act, for the calendar year.

467 (b) The tax imposed by section 12-640, as amended by this act, shall  
 468 be paid by the donor. If the gift tax is not paid when due the donee of  
 469 any gift shall be personally liable for the tax to the extent of the value  
 470 of the gift.

471 (c) With respect to Connecticut taxable gifts, as defined in section  
 472 12-643, as amended by this act, made by a donor during a calendar  
 473 year commencing on or after January 1, 2016, but prior to January 1,

474 2017, the aggregate amount of tax imposed by section 12-640, as  
475 amended by this act, for all calendar years commencing on or after  
476 January 1, 2016, but prior to January 1, 2017, shall not exceed twenty  
477 million dollars.

478 Sec. 5. Section 12-643 of the general statutes is repealed and the  
479 following is substituted in lieu thereof (*Effective January 1, 2017, and*  
480 *applicable to calendar years commencing on or after January 1, 2017*):

481 (a) The term "taxable gifts" means the transfers by gift which are  
482 included in taxable gifts for federal gift tax purposes under Section  
483 2503 and Sections 2511 to 2514, inclusive, and Sections 2516 to 2519,  
484 inclusive, of the Internal Revenue Code of 1986, or any subsequent  
485 corresponding internal revenue code of the United States, as from time  
486 to time amended, less the deductions allowed in Sections 2522 to 2524,  
487 inclusive, of said Internal Revenue Code, except in the event of repeal  
488 of the federal gift tax, then all references to the Internal Revenue Code  
489 in this section shall mean the Internal Revenue Code as in force on the  
490 day prior to the effective date of such repeal.

491 (b) In the administration of the tax under this chapter, the  
492 Commissioner of Revenue Services shall apply the provisions of  
493 Sections 2701 to 2704, inclusive, of said Internal Revenue Code. The  
494 words "secretary or his delegate" as used in the aforementioned  
495 sections of the Internal Revenue Code means the Commissioner of  
496 Revenue Services.

497 (c) The term "Connecticut taxable gifts" means taxable gifts made  
498 during a calendar year commencing on or after January 1, 2005, but  
499 prior to January 1, 2017, that are, (1) for residents of this state, taxable  
500 gifts, wherever located, but excepting gifts of real estate or tangible  
501 personal property located outside this state, and (2) for nonresidents of  
502 this state, gifts of real estate or tangible personal property located  
503 within this state.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>January 1, 2017, and applicable to estates of decedents dying on or after January 1, 2017</i>	12-391(c) to (g)
Sec. 2	<i>January 1, 2017, and applicable to estates of decedents dying on or after January 1, 2017</i>	12-392
Sec. 3	<i>January 1, 2017, and applicable to calendar years commencing on or after January 1, 2017</i>	12-640
Sec. 4	<i>January 1, 2017, and applicable to calendar years commencing on or after January 1, 2017</i>	12-642
Sec. 5	<i>January 1, 2017, and applicable to calendar years commencing on or after January 1, 2017</i>	12-643

**Statement of Purpose:**

To repeal the estate and gift taxes.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*